

**REPORT  
ON THE  
RATE SETTING AUDIT**

**NORTHAMPTON HOUSE  
YUCAIPA, CALIFORNIA  
NATIONAL PROVIDER IDENTIFIER: 1619017118**

**FISCAL PERIOD ENDED  
DECEMBER 31, 2011**

**Audits Section—Rancho Cucamonga  
Financial Audits Branch  
Audits and Investigations  
Department of Health Care Services**

**Section Chief: Julio M. Cueto  
Audit Supervisor: Lucia Martinez  
Auditor: Daniela Bitá Mocanu**



TOBY DOUGLAS  
DIRECTOR

State of California—Health and Human Services Agency  
Department of Health Care Services



EDMUND G. BROWN JR.  
GOVERNOR

August 2, 2013

Jonathan Joseph, President  
JonBec Care, Inc.  
1711 Plum Lane, Suite A  
Redlands, CA 92374

NORTHAMPTON HOUSE  
NATIONAL PROVIDER IDENTIFIER (NPI) 1619017118  
FISCAL PERIOD ENDED DECEMBER 31, 2011

We have examined the facility's financial records/Medi-Cal Cost Report for the above-referenced fiscal period. Our examination was made under the authority of Section 14170 of the Welfare and Institutions Code and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the data presented in the accompanying audit report schedules represent a proper determination of the allowable cost and patient days for the above fiscal period in accordance with Medi-Cal reimbursement principles. The results of our examination are as follows:

<u>COST AND COST PER DAY</u>		<u>COST</u>	<u>COST PER DAY</u>
Reported Cost/Cost Per Day	\$	338,582	\$ 154.60
Net Audit Adjustment		<u>(14,816)</u>	<u>(6.76)</u>
Audited Cost/Cost Per Day	\$	<u>323,766</u>	\$ <u>147.84</u>

This audit report includes the:

1. Audit Report Schedules 1 and 2
2. Audit Adjustments Schedule

Future Medi-Cal long-term care prospective rates may be affected by this examination. The extent to which the rates change will be determined by the Department's Fee-For-Service Rates Development Division.

Notwithstanding this audit report, overpayments to the provider are subject to recovery pursuant to Section 51458.1, Article 6 of Division 3, Title 22, California Code of Regulations.

If you disagree with the decision of the Department, you may appeal by writing to:

Chief  
Department of Health Care Services  
Office of Administrative Hearings and Appeals  
1029 J Street, Suite 200  
Sacramento, CA 95814  
(916) 322-5603

The written notice of disagreement must be received by the Department within 60 calendar days from the day you receive this letter. A copy of this notice should be sent to:

**United States Postal Service (USPS)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
PO Box 997413  
Sacramento, CA 95899

**Courier (UPS, FedEx, etc.)**

Assistant Chief Counsel  
Department of Health Care Services  
Office of Legal Services  
MS 0010  
1501 Capitol Avenue, Suite 71.5001  
Sacramento, CA 95814  
(916) 440-7700

The procedures that govern an appeal are contained in Welfare and Institutions Code, Section 14171, and California Code of Regulations, Title 22, Section 51016, et seq.

Jonathan Joseph  
Page 3

If you have questions regarding this report, you may call the Audits Section—Rancho Cucamonga at (909) 481-3420.

Original Signed By

Julio M. Cueto, Chief  
Audits Section—Rancho Cucamonga  
Financial Audits Branch

Certified

cc: Cindy Collins, Treasurer  
22421 Barton Road, #173  
Grand Terrace, CA 92313

**SUMMARY OF AUDITED FACILITY CENSUS  
AND AUDITED CLIENT COST PER DAY**

**Provider:**  
NORTHAMPTON HOUSE

**Fiscal Period:**  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

**Provider NPI:**  
1619017118

**SUMMARY OF AUDITED FACILITY CENSUS  
AND AUDITED CLIENT COST PER DAY**

	<b>AS REPORTED</b>	<b>AS AUDITED</b>
1. Medi-Cal Client Days (Adj )	2,190	2,190
2. Medi-Cal Managed Care Days (Adj )		0
3. Other Client Days (Adj )		0
4. Total Client Days	<u>2,190</u>	<u>2,190</u>
5. Total Client Care Expenses (From Sch. 2)	\$ <u>338,582</u>	\$ <u>323,766</u>
6. AVERAGE CLIENT COST PER DAY (Line 4 / Line 3)	\$ <u>154.60</u>	\$ <u>147.84</u>

**SHARE OF COST**

1. Share of Cost Audit Adjustment (Adj )	\$ <u>NA</u>	\$ <u>0</u>
--	--------------	-------------

**OVERPAYMENTS**

1. Duplicate Payments (Adj )	\$ _____	\$ <u>0</u>
2. Credit Balances (Adj )	\$ _____	\$ <u>0</u>
3. Total Overpayments	\$ <u>0</u>	\$ <u>0</u>

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
NORTHAMPTON HOUSE

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1619017118

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CLIENT SERVICES</b>				
	<b>Basic Facility Cost - Property Expenses</b>				
045	Depreciation and Amortization	2	\$ 7,743	\$ (4,058)	\$ 3,685
050	Leases and Rentals				0
055	Real Property Taxes	1	2,187	(119)	2,068
060	Personal Property Taxes	1	0	119	119
065	Mortgage Interest	3	15,172	(10,737)	4,435
070	Property Insurance	4	914	(21)	893
075	TOTAL PROPERTY EXPENSES (Lines 045 through 070)		\$ 26,016	\$ (14,816)	\$ 11,200
	<b>Basic Facility Cost - General Home Expenses</b>				
080	Home Operations and Maintenance		\$ 3,184	\$	\$ 3,184
085	Utilities		5,881		5,881
090	Client Transportation (excluding Adult Day Services)				0
095	Dietary		13,184		13,184
100	Personal Care and Laundry		3,368		3,368
105	TOTAL GENERAL HOME EXPENSES (Lines 080 through 100)		\$ 25,617	\$ 0	\$ 25,617
110	TOTAL BASIC FACILITY COST (Lines 075 plus 105)		\$ 51,633	\$ (14,816)	\$ 36,817
	<b>EXPENSES: DIRECT CARE STAFF COSTS</b>				
115	QMRP Salaries		\$ 15,095	\$	\$ 15,095
120	QMRP Fringe Benefits		3,824		3,824
125	Lead Salaries		22,349		22,349
130	Lead Fringe Benefits		5,662		5,662
135	Aides Salaries		96,149		96,149
140	Aides Fringe Benefits		24,359		24,359
145	Other Salaries		10,702		10,702
150	Other Fringe Benefits		2,711		2,711
155	TOTAL DIRECT CARE STAFF COSTS (Lines 115 through 150)		\$ 180,851	\$ 0	\$ 180,851

## SUMMARY OF AUDITED FACILITY EXPENSES

Provider:  
NORTHAMPTON HOUSE

Fiscal Period:  
JANUARY 1, 2011 THROUGH DECEMBER 31, 2011

Provider NPI:  
1619017118

Line No.	DESCRIPTION	ADJ NO.	AS REPORTED Col. 1	AUDIT ADJUSTMENT Col. 2	AS AUDITED Col. 3
	<b>EXPENSES: CONSULTANT COSTS</b>				
160	Dietician Consultant		\$ 1,200	\$	\$ 1,200
165	Speech Pathology Consultant		900		900
170	Physical Therapy Consultant		900		900
175	Occupational Therapy Consultant		735		735
180	Pharmacist Consultant		720		720
185	Nurse Consultant				0
190	Psychologist Consultant		1,980		1,980
195	Physician Consultant		3,000		3,000
200	Recreational Consultant		1,920		1,920
205	Social Service Consultant				0
210	Other Consultant				0
215	TOTAL CONSULTANT COST (Lines 160 through 210)		\$ 11,355	\$ 0	\$ 11,355
	<b>EXPENSES: ADMINISTRATIVE COSTS</b>				
220	Administrative Salaries **		\$	\$	\$ 0
225	Administrative Fringe Benefits				0
226	Quality Assurance Fees (excluding Adult Day Services)		19,047		19,047
230	Other General and Administrative*** (excluding Adult Day Services)		75,696		75,696
235	TOTAL ADMINISTRATIVE COST (Lines 220 through 230)		\$ 94,743	\$ 0	\$ 94,743
	TOTAL COSTS RELATED TO CLIENT CARE (Lines 110, 155, 215 and 235)		\$ 338,582	\$ (14,816)	\$ 323,766
	<b>NON-CLIENT CARE EXPENSES</b>		(To Sch. 1)		(To Sch. 1)
240	Non-Program Services		\$	\$	\$ 0
241	Adult Day Services and Related Transportation		134,106		134,106
245	TOTAL FACILITY EXPENSES (Lines 110, 155, 215, 235, 240 and 241)		\$ 472,688	\$ (14,816)	\$ 457,872

Page 2 of 2

\*\* List only direct administrative salaries incurred at the facility level

\*\*\* List allocated administrative costs on Line 230

Provider Name							Fiscal Period	Provider NPI	Adjustments	
NORTHAMPTON HOUSE							JANUARY 1, 2011 THROUGH DECEMBER 31, 2011	1619017118	4	
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<b><u>RECLASSIFICATION OF REPORTED COSTS</u></b>										
1	4	055	4	2	055	3	Real Property Taxes	\$2,187	(\$119)	\$2,068
	4	060	4	2	060	3	Personal Property Taxes	0	119	119
To reclassify personal property taxes to the appropriate cost center for proper cost determination. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300, 2302.4, and 2302.8										

Provider Name				Fiscal Period				Provider NPI		Adjustments
NORTHAMPTON HOUSE				JANUARY 1, 2011 THROUGH DECEMBER 31, 2011				1619017118		4
Report References							Explanation of Audit Adjustments	As Reported	Increase (Decrease)	As Adjusted
Cost Report			Audit Report							
Adj. No.	DHS 3076 Page or Exhibit	Line	Col.	Sch.	Line	Col				
<b><u>ADJUSTMENTS TO REPORTED COSTS</u></b>										
2	4	045	4	2	045	3	Depreciation and Amortization To eliminate nonallowable depreciation expense for assets subject to BBA. 42 CFR 413.134 / CMS Pub. 15-1, Section 104.10	\$7,743	(\$4,058)	\$3,685
3	4	065	4	2	065	3	Mortgage Interest To eliminate mortgage interest expense for assets subject to BBA. 42 CFR 413.134 and 413.153(d)(i) CMS Pub. 15-1, Sections 104.10 and 203	\$15,172	(\$10,737)	\$4,435
4	4	070	4	2	070	3	Property Insurance To adjust property insurance expense to agree with the provider's insurance policy. 42 CFR 413.20 and 413.24 CMS Pub. 15-1, Sections 2300 and 2304	\$914	(\$21)	\$893